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FEDERAL ELECTION  
COMMISSION  
OFFICE OF THE  
GENERAL COUNSEL

June 1, 2001

Lois Lerner, Esq.  
Acting General Counsel  
Office of the General Counsel  
Federal Election Commission  
999 E Street, NW  
6<sup>th</sup> Floor  
Washington, DC 20463

*Re: MUR 5198, The Honorable Maria Cantwell,  
Cantwell 2000.com and Keith Grinstein, as  
Treasurer*

Dear Ms. Lerner:

This is the response of our clients, the Honorable Maria Cantwell and her principal campaign committee, Cantwell 2000.com (the "Committee") and Keith Grinstein, as Treasurer, to the complaint filed in the above-captioned matter under review ("MUR"). As more fully demonstrated below, the Commission should find no reason to believe that respondents have committed any violation of the Federal Election Campaign Act of 1971, as amended, (the "Act") or of the Commission's regulations and close this matter as expeditiously as possible.

**I. Factual Background**

In the 2000 elections, the Senate race in the state of Washington produced the closest Senate race in the nation. Maria Cantwell, an executive with the new technology company Real Networks and a former congresswoman from the first district of Washington challenged incumbent Senator Slade Gorton. Eschewing special interest money in the form of PAC contributions and making early passage of campaign finance reform a central theme of her campaign, Cantwell largely self-financed her race. When she entered the race in January 2000, the so-called new technology economy was still riding high, as reflected in the stock prices of companies such as Real Networks.

In fact, according to published reports, the stock price of Real Networks reached a high of \$96 per share during 2000. Cantwell exercised numerous options and sold those

shares in order to finance a hard fought primary battle against another Democrat who had already run and won a statewide race, Deborah Senn. She realized, however, that in order to win the general election against another well-funded opponent she would have to spend another equally large sum. She borrowed money – the subject matter of the complaint herein – and lent it to the campaign.

Cantwell approached US Bank (“US” or the “Bank”) in Bellevue, Washington where she had a pre-existing banking relationship. In fact, this was the branch of US in which she did all of her personal banking, and US was fully familiar with her banking history, as well as with her personal wealth and net worth. At this time, it was already publicly available information, based on her candidate Financial Disclosure Form, that she held assets exceeding \$25 million dollars and had a previous year’s income of more than \$7 million dollars.<sup>1</sup> Cantwell had a pre-existing line of credit, that, up until this time, was used exclusively for personal purposes. In July 2000, she increased that line of credit, and made a draw for the campaign. In September 2000, when signs indicated that a primary victory was possible, she went to the Bank again and sought a larger loan. She personally exercised a note, and over the course of the general election, she drew down the proceeds of this loan.

It will be demonstrated below that both of these loans were made in full accordance with the Act and the Commission’s regulations and precedent. In addition, there can be no mistaking that at all times during the campaign, both Cantwell and the Committee fully intended to comply with both the spirit, as well as the letter, of all provisions of the Act and Commission regulations.

On election night, the result of this race was too close to call. In fact, it was so close that the networks projected a winner and then had to withdraw that projection in subsequent hours. The race remained too close to call and was not officially decided until nearly one month after election day, when Cantwell was declared the winner by 2229 votes.

In the wake of this extremely tight and delayed result, much partisan bitterness was engendered. Complainant filed the complaint herein making three allegations: (1) that the line of credit was supported by insufficient collateral, (2) that the line of credit and the second loan bore a “favorable” interest rate, and (3) the Committee did not disclose these loans. These allegations have no factual or legal merit, and this complaint should be dismissed forthwith.

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<sup>1</sup> Pursuant to the disclosure requirements for Financial Disclosure Forms, candidates must report a pre-established “range” of value within which their assets fall, rather than the exact amount of their holdings. Cantwell’s assets were in the range of \$25 - \$50 million dollars, meaning that she had, at minimum, \$25 million dollars in available assets.

## II. Discussion

**A. Pursuant to the Act and Commission regulations, the Commission must consider the totality of the circumstances to determine that a loan is in the ordinary course of business.**

The term "contribution" does not include a loan from a qualifying bank which is made in accordance with applicable law and in the ordinary course of business. 2 U.S.C. § 431(8)(B)(vii), 11 C.F.R. § 100.7(b)(11). A loan is deemed to be made in the ordinary course of business if it meets four criteria: (1) it bears the usual and customary interest rate for the category of loan involved; (2) it is made on a basis which assures repayment; (3) it is evidenced by a written instrument; and (4) it is subject to a due date or amortization schedule. 11 C.F.R. § 100.7(b)(11).

Pursuant to the Commission's regulations, there are three ways in which a loan is considered to be made on a basis which assures repayment: (1) the lending institution has perfected a security interest in collateral owned by the candidate or political committee receiving the loan, and the fair market value of the collateral is either equal to or greater than the loan amount; (2) the lending institution has obtained a written agreement whereby the candidate or political committee receiving the loan has pledged future receipts as payment on the loan; or (3) if the totality of the circumstances as considered by the Commission on a case-by-case basis demonstrate that the loan was made on a basis which assures repayment. 11 C.F.R. § 100.7(b)(11)(i)-(ii).

In other words, the Commission's regulations do not require that a loan to a candidate or political committee be fully collateralized to be considered made on a basis which assures repayment; that is simply one method, among others, available to demonstrate that a contribution did not occur. See also Explanation and Justification, Regulations on Loans from Lending Institutions to Candidates and Political Committees, 56 Fed. Reg. 67118, 67119. Paragraph (b)(11)(ii) allows that other approaches "such as loans guaranteed in whole or in part by the borrower's signature, which are not specified in the rules, will also be found to have met the standard . . .". *Id.* at 67121.

**B. Based on the totality of the circumstances – namely the borrower's net worth and other factors considered by the Bank – the pre-existing line of credit was made in the ordinary course of the Bank's business.**

With respect to the circumstances surrounding the line of credit from July 2000, it is evident that this loan was made in the ordinary course of US Bank's business and insofar as these respondents know, in accordance with all applicable banking laws and regulations. Cantwell had a pre-existing, long-established and significant personal banking relationship with the Bank. In fact, Cantwell had a pre-existing personal line of credit granted by the Bank in its ordinary course of business and in accordance with

applicable banking laws and regulations. In July 2000, this line of credit was increased to \$600,000.

This line of credit satisfies the specific regulatory requirements, as follows. First, a written agreement in the form of a personal note was executed evidencing this line of credit. This writing has been previously made part of the public record, and another copy is attached hereto. See Exhibit 1. Second, as contained in that writing, the line of credit was subject to a due date of June 4, 2001. This information has also already been made part of the public record. Complainant does not dispute any of these facts. Third, the line of credit was subject to an interest rate that is usual and customary for that type of loan, namely prime rate. This too has been previously made part of the public record.<sup>2</sup>

Finally, contrary to Complainant's assertion, this line of credit was made on a basis which assures repayment. Complainant claims, based on a misreading of the public record, that the only security for this line of credit was Cantwell's personal residence which was less than the amount of the line of credit. It is completely disingenuous for Complainant to disregard other portions of the Committee's FEC report in order to make an allegation and file a complaint. The Committee's report clearly states that, in addition to the personal residence, this line of credit was made through "[r]eliance on borrower's net worth", as permitted by the Commission's "totality of the circumstances" standard. Thus, not only did the Committee disclose in section D of Schedule C-1 that real estate was pledged as security for this line of credit, but it also disclosed in section F of schedule C-1 that there were other bases upon which this loan was made on which repayment was assured. While respondents complied with the instructions on Schedule C-1, complainant speciously ignored the available information.

Clearly, the totality of the circumstances demonstrates that US Bank granted this line of credit on a basis that assured repayment. They had a pre-existing banking relationship with Cantwell. She did all of her personal banking at this branch, and they were fully familiar with her net worth, her assets and her payment history on previous transactions. She maintained her checking and investment accounts at this bank. They had previously lent her money for personal purposes, and had first-hand knowledge that she made repayments in a responsible manner. US Bank was also the Committee's bank and where the Committee conducted all of its banking.

This line of credit dates back to 1999 but was not initially used for campaign purposes. In July 2000, at the time that this line of credit was extended, Cantwell's net worth was at least \$25 million dollars. See Exhibit 2, Affidavit from her accountant, James Caley. Also attached is a copy of her candidate Financial Disclosure Form, as filed with the Secretary of the Senate, detailing her assets and similarly supporting her net worth. See Exhibit 3.

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<sup>2</sup> While Complainant primarily takes issue with the collateral for this line of credit, it also complains about the interest rate for both loans. Respondents incorporate their discussion below regarding the appropriateness of the interest rate as to the larger loan as equally applicable to this line of credit.

In short, Cantwell possessed – and the Bank knew that she did – millions of dollars in assets available to repay this line of credit. Her available cash and bonds alone were worth more than times the amount of the line of credit. Her salary from the previous year was more than times the amount of the line of credit. Her stock plus stock options were worth more than times the amount of the line of credit. See Exhibits 2 and 3. Given these assets, it is clear the bank had adequate assurances.

Any similarly situated customer of net worth would have been granted such a line of credit in the Bank's ordinary course of business. Respondents did not seek and the Bank did not grant any favorable treatment here. Respondents filled out all applicable forms and documents, and to the best of their knowledge the Bank applied all of its customary and typical internal reviews to this transaction. The Commission has expressly recognized that banks commonly rely on a borrower's income and credit background in making loans of this type. See Explanation and Justification at 67120. See also, Matters Under Review 4311, 4327, Vargas et al., First General Counsel's Report at 20-21 (1996) (A bank may evaluate multiple internal factors including net worth, annual income, debt, and good character to make the specific determination as to whether it could expect a loan to be repaid).<sup>3</sup>

In this case, before this credit line was extended, it was a matter of public record that the borrower's previous year's income and compensation exceeded \$7 million dollars.<sup>4</sup> Cantwell had assets available exceeding \$25 million dollars. She had very little debt. Certainly, her character was unassailable (and not questioned by complainant). All of these factors gave the Bank the assurances it required.<sup>5</sup> Moreover, given the weight of these factors – particularly when compared to the borrower in the above-mentioned MURs 4311 and 4327, dismissal by the Commission is compelled herein. The Commission has routinely permitted bank loans where candidates have no personal assets with which to repay them; there is far more justification to approve the arrangement herein.

To conclude that the Bank in any way "went out on a limb" or otherwise circumvented its usual banking process simply flies in the face of the facts herein. This line of credit was a pre-existing line of credit used for personal purposes. The Commission has examined the circumstances whereby a candidate's pre-existing non-campaign line of credit is later used for campaign purposes and has expressly concluded that such an arrangement is permissible. See Advisory Opinion ("AO")1994-26 (A pre-existing line of credit based on the borrower's signature can be deemed to be made on a basis which assures repayment). The circumstances here are materially identical to those

<sup>3</sup> In fact, the Commission closed those MURs despite what the Office of General Counsel found to be a lack of adequate documentation to make the requisite finding regarding the loans therein. The support herein compels dismissal of the instant case.

<sup>4</sup> As publicly disclosed on her candidate Financial Disclosure Form. Exhibit 3.

<sup>5</sup> In addition, the totality of the circumstances compels the Commission to consider that, if she won, Cantwell would certainly be in a position to raise sufficient funds to repay this line of credit, notwithstanding that such receipts were not pledged.

in AO 1994-26, and on the reasoning stated therein, the circumstances of this transaction are completely appropriate and permissible.

Accordingly, as the totality of the circumstances clearly demonstrate in this particular case, this line of credit was made on a basis that assures repayment. Cantwell's net worth and available assets far exceeded the amount of this line of credit and qualified her for this transaction. Nothing in the complaint contradicts this conclusion – it is nothing more than a broad allegation based on an incomplete reading and misunderstanding of the facts. Because this line of credit was made in the ordinary course of US Bank's business, and as such, in accordance with the Commission's regulations, no contribution resulted. The Commission should find no reason to believe that any violation of the Act or Commission regulations occurred.

**C. The interest rate of prime on these two loans was fully within the Bank's ordinary course of business for any similarly situated Bank customer of like net worth.**

With respect to the circumstances surrounding the loan obtained in September 2000, it is evident that this loan was made in the ordinary course of US Bank's business and insofar as these respondents know, in accordance with all applicable banking laws and regulations. Cantwell had a pre-existing, long-established and significant personal banking relationship with the Bank. In September 2000, when it appeared that she might win the Democratic primary, Cantwell approached US Bank about the possibility of borrowing funds to be secured with her shares of stock in Real Networks. She signed a note for up to \$4 millions dollars secured by shares of Real Networks stock, and, after winning the primary election, began to draw down funds against that note as needed and loaning them to the Committee. The draws totaled \$3,221,490.

This loan satisfies the specific regulatory requirements, as follows. First, a written agreement in the form of a personal note was executed evidencing this loan. This writing has been previously made part of the public record, and another copy is attached hereto. See Exhibit 4. Second, as contained in that writing, the loan was subject to a due date. This information has also already been made part of the public record. Third, this loan was made on a basis which assures repayment. Collateral pledged as security for this loan and in which the Bank had a perfected security interest far exceeded the value of the loan. The loan was for an amount up to \$4 million dollars, while the collateral far exceeded this amount.<sup>6</sup> This too has been previously made part of the public record. Complainant does not dispute any of these facts.

Finally, contrary to complainant's assertion, this loan was subject to an interest rate that is usual and customary for that type of loan, namely prime rate. As discussed above, Cantwell had a pre-existing banking relationship with this branch of US Bank, and she had a net worth far exceeding the amount of this loan. Respondents incorporate the

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<sup>6</sup> In August 2000, the stock was valued in excess of      million dollars.

discussion above with respect to both her pre-existing banking relationship and her net worth into this section as well.

Thus, the Bank was fully familiar with their customer and aware of her finances. Any similarly situated customer of net worth would have been granted such a loan in the Bank's ordinary course of business. Respondents did not seek and the Bank did not grant any favorable treatment here. Respondents filled out all applicable forms and documents, and to the best of their knowledge the Bank applied all of its customary and typical internal reviews to this transaction.

To conclude that the Bank in any way "went out on a limb" or otherwise circumvented its usual banking process simply flies in the face of the facts herein. It is common for certain customers to be granted loans at prime rate, and both of the loans received by Cantwell qualified for this rate.

Accordingly, as the facts clearly demonstrate in this particular case, this loan and the line of credit were made at an interest rate that is typically and ordinarily granted to similarly situated Bank customers. Nothing in the complaint contradicts this conclusion – it is nothing more than a broad allegation based on supposition and misunderstanding of the facts. Because this loan and the line of credit were made in the ordinary course of US Bank's business, and as such, in accordance with the Commission's regulations, no contribution resulted. The Commission should find no reason to believe that any violation of the Act or Commission regulations occurred.

**D. While the Committee reported these transactions as loans from the candidate, its inadvertent omission of complete loan information was corrected immediately upon discovery.**

With respect to the reporting of the loans, complainant's arguments are erroneous. The Committee did not hide these loans from the public record, and certainly did not intend to deceive the public or the Commission. To suggest otherwise is a blatant mischaracterization of the facts and exhibits a wanton disregard for the Committee's intent and actions.

Complainant's allegations are clearly rebutted by the fact that the Committee's reports *ab initio* disclosed loans from the candidate to the Committee. As the candidate transferred money from her personal account into the Committee's account, the transfers were noted as loans in the Committee's records and on its FEC reports. Regrettably, the preparer of the FEC reports failed to fully understand the guidance and requirements of the Commission and inadvertently omitted the schedule C information from the original reports. The preparer held a perfectly logical belief – and one supported by generally accepted accounting principles – that if the funds were obtained by the candidate

personally, using the candidate's own assets, then the source of the funds should be disclosed as the candidate.<sup>7</sup>

However, this error was discovered by the Committee in its own review of its books and records at the end of 2000. It quickly moved to prepare amended reports with the complete loan information. Contrary to complainant's claim, these reports were actually completed prior to any notification from the FEC and had been filed simultaneously therewith. Given that there was not even a winner in this race until December 2000, by swiftly correcting the public record with amended reports in January 2001 clearly demonstrates that the Committee had simply made an inadvertent reporting mistake and wanted to correct it as soon as it was discovered.

Importantly, however, it is plainly wrong to suggest, as complainant does, that this money was hidden from anyone. All of the receipts of this money were disclosed, and all of the expenditures from these funds were disclosed. They were simply mistakenly shown as loans from the candidate and lacked complete information pertaining to the bank. In addition, the Committee went further than the cursory reporting requirements with respect to these transactions and actually included explanatory information in the form of "memo entries" for both loans. Though not required or necessary, this is certainly contemporaneous evidence of the Committee's intent to go beyond the bare letter of the law, to comply fully with the spirit of the disclosure requirements, and to ensure a complete and understandable public record. Certainly, if the Committee were reticent or reluctant as to the reporting of these transactions, there would have been no need to supply this additional information.

Since the complete information has since been put on the public record, respondents respectfully urge the Commission to accept the good faith correction and to take no further action with respect to this mistake.

### III. Conclusion

As demonstrated above, each of the complainant's three allegations are without factual or legal merit. The pre-existing line of credit was made on a basis which assures repayment by being collateralized in part with borrower's personal residence, as well as by the Bank's reliance on its review of internal factors including borrower's overall net worth, income and available assets. Both the line of credit and the loan were subject to the prime rate of interest that is available to all similarly situated customers of the Bank in its ordinary course of business. Finally, the Committee rectified its misunderstanding of the full reporting requirements with respect to loans made to candidates and filed the complete information prior to the filing of the complaint in this matter.

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<sup>7</sup> Because the loans were extended to Maria Cantwell personally, based on her personal assets, and because the funds were disbursed to the Committee by the candidate, the funds were disclosed as having come from the candidate.



Thus, the respondents herein have taken all of the steps necessary to fully comply with both the spirit and the letter of the law. Complainant makes its broad unsupported accusations, but has supplied no evidence or other information to indicate otherwise. Accordingly, respondents respectfully request that the Commission find no reason to believe that any violation of the Act or Commission regulations has been committed and that the Commission dismiss this complaint and close this matter as expeditiously as possible.

Respectfully submitted,



Eric F. Kleinfeld  
Lyn Utrecht

Attachments

# Exhibit 1

24-04-406-4787



07-25-2000

PROMISSORY NOTE

Page 1

Loan No.

(Continued)

\$70,000.00 AS IT MAY HAVE BEEN AMENDED OR RENEWED FROM TIME TO TIME (THE NOTE).

**GENERAL PROVISIONS.** This Note is payable on demand. The inclusion of specific default provisions or rights of Lender shall not preclude Lender's right to declare payment of this Note on its demand. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, protest and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan, or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made.

**PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THE NOTE.**

BORROWER:

x Maria Cantwell  
MARIA CANTWELL

LENDER:

U.S. Bank National Association

By: Charles Haddon, V.P.  
Authorized Officer

Variable Rate, Line of Credit

LASER PRO, Reg. U.S. Pat. &amp; T.M. Off., Ver. 3.28a (C) Concentrix 2000 All rights reserved. [WA-D20 13.28 MARIA LN C6.OVL]

24-04-405-4789

**RETURN ADDRESS:**

U.S. Bank National Association  
Commercial Loan Service West  
P.O. Box 5308  
Portland, OR 97228-5308



**MODIFICATION OF DEED OF TRUST**

Reference # (if applicable): 199912290465

Additional on page \_\_\_\_\_

Grantor(s):

1. CANTWELL, MARIA

Grantee(s)/Assignee/Beneficiary:

U.S. Bank National Association, Beneficiary

U.S. BANK TRUST COMPANY, National Association, Trustee

Legal Description: LOT A AS DESC IN SP S 19-85 REC UNDER  
AUD FILE NO. 8509030140 & AS REV UNDER REC NO.  
8510250356 BEING

Additional on page 2

Assessor's Tax Parcel ID#:

THIS MODIFICATION OF DEED OF TRUST IS DATED JULY 25, 2000, BETWEEN MARIA CANTWELL, AN UNMARRIED INDIVIDUAL (referred to below as "Grantor"), whose address is C/O REAL NETWORKS, INC., 2601 ELLIOTT AVENUE, SEATTLE, WA 98121; and U.S. Bank National Association (referred to below as "Lender"), whose address is 10800 NE 8th Street, Suite 500, Bellevue, WA 98004.

07-25-2000

## MODIFICATION OF DEED OF TRUST

Page 2

(Continued)

DEED OF TRUST. Grantor and Lender have entered into a Deed of Trust dated December 28, 1988 (the "Deed of Trust") recorded in SNOHOMISH County, State of Washington as follows:

RECORDED ON DECEMBER 29, 1999, RECORDING # 199912290465, IN SNOHOMISH COUNTY, STATE OF WASHINGTON

REAL PROPERTY DESCRIPTION. The Deed of Trust covers the following described real property (the "Real Property") recorded in SNOHOMISH County, State of Washington:

LOT A OF SHORT PLAT, RECORDED UNDER RECORDING NO. 8509030140, AND REVISED BY RECORDING NO. 8510250356 BEING A PORTION OF THE NORTHWEST QUARTER OF SECTION 25, TOWNSHIP 27 NORTH, RANGE 5 EAST, W.M. SITUATE IN THE COUNTY OF SNOHOMISH, STATE OF WASHINGTON

The Real Property or its address is commonly known as 904 7TH AVENUE SOUTH, EDMONDS, WA 98020. The Real Property tax identification number

MODIFICATION. Grantor and Lender hereby modify the Deed of Trust as follows:

THE ORIGINAL NOTE HAS BEEN MODIFIED AS FOLLOWS: PURSUANT TO A NEW NOTE DATED JULY 25, 2000, TOGETHER WITH ALL RENEWALS, MODIFICATIONS, EXTENSIONS, REFINANCINGS OF AND SUBSTITUTIONS FOR THE NOTE, THE AMOUNT OF THE NOTE HAS BEEN INCREASED BY \$530,000.00, FROM \$70,000.00, TO \$600,000.00

CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Deed of Trust shall remain unchanged and in full force and effect. Consent by Lender to this Modification does not waive Lender's right to require strict performance of the Deed of Trust as changed above nor obligate Lender to make any future modifications. Nothing in this Modification shall constitute a satisfaction of the promissory note or other credit agreement secured by the Deed of Trust (the "Note"). It is the intention of Lender to retain as liable all parties to the Deed of Trust and all parties, makers and endorser to the Note, including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, shall not be released by virtue of this Modification. If any person who signed the original Deed of Trust does not sign this Modification, then all persons signing below acknowledge that this Modification is given conditionally, based on the representation to Lender that the non-signing person consents to the changes and provisions of this Modification or otherwise will not be released by it. This waiver applies not only to any initial extension or modification but also to all such subsequent actions.

EACH GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF DEED OF TRUST, AND EACH GRANTOR AGREES TO ITS TERMS.

GRANTOR:

X Maria Cantwell  
MARIA CANTWELL

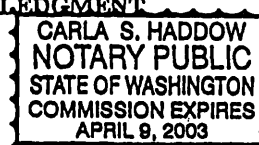
LENDER:

U.S. Bank National Association

By: Carla S. Haddow, V.P.  
Authorized Officer

## INDIVIDUAL ACKNOWLEDGMENT

STATE OF Washington )  
COUNTY OF King ) ss



On this day before me, the undersigned Notary Public, personally appeared MARIA CANTWELL, personally known to me or proved to me on the basis of satisfactory evidence to be the Individual described in and who executed the Modification of Deed of Trust, and acknowledged that he or she signed the Modification as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 26 day of July 2000

By: Carla S. Haddow Residing at Edmonds, WA  
Notary Public in and for the State of WA My commission expires 4-9-2003

## LENDER ACKNOWLEDGMENT

STATE OF WashingtonCOUNTY OF King

On this 26 day of July, 2000, before me, the undersigned Notary Public, personally appeared Patsy Mallory, and personally known to me and approved to me on the basis of satisfactory evidence to be the Vice President of PLS INC, a corporation authorized to execute the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the said Lender, duly authorized by the Lender through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this said instrument and that the seal affixed is the corporate seal of said Lender.

By Patsy MalloryResiding at BuckeyeNotary Public in and for the State of WAMy commission expires 7/28/01

26-7-2001-10-42



## DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No.	Call	Collateral	Account	Office	Initials
\$600,000.00	07-23-2000	06-04-2001					EST06	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

**Borrower:** MARIA CANTWELL  
C/O REAL NETWORKS, INC.  
2601 ELLIOTT AVENUE  
SEATTLE, WA 98121

**Lender:** U.S. Bank National Association  
Private Financial Services - East King Co.  
10900 NE 8th Street, Suite 500  
Bellevue, WA 98004

**LOAN TYPE.** This is a Variable Rate (at Lender's Prime Rate. This is the rate of interest which Lender from time to time establishes as its Prime Rate and is not, for example, the lowest rate of interest which Lender collects from any borrower or class of borrowers), Revolving Line of Credit Loan to an individual for \$600,000.00 due on June 4, 2001. This is a secured renewal of the following described indebtedness: THAT CERTAIN PROMISSORY NOTE EXECUTED BY BORROWER ON DECEMBER 16, 1999, IN THE ORIGINAL AMOUNT OF \$70,000.00 AS IT MAY HAVE BEEN AMENDED OR RENEWED FROM TIME TO TIME (THE NOTE).

**PRIMARY PURPOSE OF LOAN.** The primary purpose of this loan is for:

- ☐ Personal, Family, or Household Purposes or Personal Investment.  
☒ Business (Including Real Estate Investment).

**SPECIFIC PURPOSE.** The specific purpose of this loan is: RENEW AND INCREASE BUSINESS INVESTMENT LINE.

**FLOOD INSURANCE.** As reflected on Flood Map No. 530163-0005-D dated 02-19-1986, for the community of CITY OF EDMONDS, the property that will secure the loan is not located in an area that has been identified by the Director of the Federal Emergency Management Agency as an area having special flood hazards. Therefore, although flood insurance may be available for the property, no special flood hazard insurance is required by law for this loan.

**DISBURSEMENT INSTRUCTIONS.** Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$600,000.00 as follows:

Amount paid to Borrower directly:	\$0.00
Undisbursed Funds:	\$530,612.50
Amount paid on Borrower's account:	\$69,387.50
\$69,387.50 Payment on Loan # 67775	
Note Principal:	\$600,000.00

**CHARGES PAID IN CASH.** Borrower has paid or will pay in cash as agreed the following charges:

Prepaid Finance Charges Paid in Cash:	\$6.00
\$6.00 LIFE OF LOAN FLOOD FEE	
Other Charges Paid in Cash:	\$16.00
\$10.00 RECORDING FEES	
\$6.00 FLOOD DETERMINATION FEE	
Total Charges Paid in Cash:	\$22.00

**LIEN RELEASE FEES.** In addition to all other charges, Borrower agrees, to the extent not prohibited by law, to pay all governmental fees for release of Lender's security interests in collateral securing this loan. Borrower will pay these fees at the time the lien or liens are released. The estimated amount of these future lien release fees is \$70.00.

**AUTOMATIC PAYMENTS.** Borrower hereby authorizes Lender automatically to deduct from Borrower's account numbered 153505737095 the amount of any loan payment. If the funds in the account are insufficient to cover any payment, Lender shall not be obligated to advance funds to cover the payment. At any time and for any reason, Borrower or Lender may voluntarily terminate Automatic Payments.

**DOCUMENT PREPARATION.** In connection with this Loan, Lender has selected, prepared, drafted or completed certain instruments or documents which will affect Borrower's legal rights. Lender has done this solely for its own benefit and to protect its own interest in the transaction. BORROWER HAS BEEN ADVISED BY LENDER THAT BORROWER SHOULD CONSULT WITH BORROWER'S OWN LEGAL COUNSEL TO PROTECT BORROWER'S INTERESTS AND TO ANSWER ANY QUESTIONS BORROWER MAY HAVE ABOUT THE INSTRUMENTS, DOCUMENTS OR THE TRANSACTION.



07-25-2000

Loan No.

DISBURSEMENT REQUEST AND AUTHORIZATION  
(Continued)

FINANCIAL CONDITION. BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED JULY 25, 2000.

BORROWER:

x Maria Cantwell  
MARIA CANTWELL

Variable Rate. Line of Credit.

LASER PRO, Reg. U.S. Pat. & T.M. Off., Ver. 3.22a (C) Concentrix 2000 All rights reserved. (WA-120 E3.29 F3.19 MARIA LN C6.OVL)

24-04-406-4794

# Exhibit 2

24-04-406-4795

**AFFIDAVIT OF JAMES CALEY, C.P.A.**

I, James Caley, hereby declare the following:

1. I am a certified public accountant with my own accounting business ("Caley & Associates") located in Vancouver, Washington. I have been a certified public accountant since April 18, 1974.
2. I am responsible for performing all accounting services for Senator Maria Cantwell and for her principal campaign committee from the 2000 senate election, Cantwell 2000 (the "Committee"). I have been Senator Cantwell's personal accountant since 1985, predating both her campaign and her service in the United States Senate. I have been the Committee's accountant from its inception in January 2000.
3. My services for Senator Cantwell include the rendering of tax advice and the preparation and filing of tax returns, financial disclosure forms and Federal Election Commission reports. I have also assisted the Senator in the handling and maintenance of her investments and liabilities. As part of the normal course of my responsibilities, I have become familiar with all aspects of the Senator's and the Committee's finances.
4. In July 2000, Senator Cantwell had a pre-existing personal line of credit with US Bank in Bellevue, Washington that was secured by her personal residence. This line of credit had never been previously used for campaign purposes. In July 2000, this line of credit was increased to \$600,000, based on Cantwell's net worth. I am familiar with this practice and understand that banks ordinarily and routinely make lines of credit available to customers based on their net worth, particularly when the net worth falls in the range that Cantwell's did.
5. Based upon my full and complete knowledge of the Senator's financial information, I calculated her net worth as of July 2000 according to generally accepted accounting principles. By my calculation, Maria Cantwell possessed a net worth in excess of \$25 million dollars, as is reflected on her candidate Financial Disclosure Form that I prepared. The copy of the Form attached hereto is a true and accurate copy.
6. At that time, she held cash and bonds which alone were worth more than times the balance of the line of credit, and stock plus stock options that were worth more than times the balance of the line of credit.
7. In my opinion and experience, either of these calculations would have given US Bank a reasonable assurance with which to make available a line of credit of \$600,000 and to expect that there were more than sufficient assets available for repayment, especially since Cantwell's personal residence was already securing the pre-existing line of credit.

I declare under the penalty of perjury under 28 U.S.C. §1746 that the foregoing is true and correct.

Executed on this 30<sup>th</sup> day of May, 2001.

James Caley  
James Caley

3

3

24-04-406-4797

## Exhibit 3

# UNITED STATES SENATE PUBLIC FINANCIAL DISCLOSURE REPORT FOR NEW EMPLOYEE AND CANDIDATE REPORTS

Last Name <b>CANTWELL</b>		First Name and Middle Initial <b>MARIA E.</b>		New Employee Report Date of Employment		Senate Office/Agency in which Employed	
Senate/Candidate Office Address (Number, Street, City, State, and ZIP Code) <b>904 7TH AVENUE SOUTH EDMONDS, WA 98020</b>		Telephone No. (include Area Code) <b>425-778-6332</b>		Candidate Report Commencement of Candidacy <b>1/27/2000</b>		State in which you are a candidate <b>WASHINGTON</b>	


## AFTER READING THE INSTRUCTIONS - ANSWER EACH OF THESE QUESTIONS

Did you or your spouse have earned income (e.g., salaries or fees) or non-investment income of more than \$200 from any reportable source in the reporting period? If yes, Complete and Attach PART II.	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	Did you hold any reportable positions during the reporting period? If yes, Complete and Attach PART VIII.	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
Did you, your spouse, or dependent child receive unearned or investment income of more than \$200 in the reporting period or hold any reportable asset worth more than \$1,000 at the end of the period? If yes, Complete and Attach PART IIIA and/or IIIB.	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	Did you have any reportable agreement or arrangement with an outside entity on the filing date? If yes, Complete and Attach PART IX.	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
Did you, your spouse, or dependent child have any reportable liability (more than \$10,000) during the reporting period? If yes, Complete and Attach PART VII.	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	Did you receive compensation of more than \$5,000 from a single source in the two prior years? If yes, Complete and Attach PART X.	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

**Each question must be answered and the appropriate PART attached for each "Yes" response.**

File this report and any amendments with the Secretary of the Senate, Office of Public Records, Room 232, Hart Senate Office Building, U.S. Senate, Washington, D.C. 20510. \$200 Penalty for filing more than 30 days after due date.

This Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended. The statement will be made available by the Office of the Secretary of the Senate to any requesting person upon written application and will be reviewed by the Select Committee on Ethics. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions. (See 5 U.S.C. app. 6, 104, and 18 U.S.C. 1001.)

Certification I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.		Signature of Reporting Individual 		Date (Month, Day, Year) <b>5/8/00</b>	
For Official Use Only - Do Not Write Below This Line It is the opinion of the reviewer that the statements made in this form are in compliance with Title I of the Ethics in Government Act.		Signature of Reviewing Official		Date (Month, Day, Year)	

SECRETARY OF THE SENATE  
00 MAY 19 PH 1:20  
H.D.

Report the source (name and address), type, and amount of earned income to you from any source aggregating \$200 or more during the reporting period. For your spouse, report the source (name and address) and type of earned income which aggregate \$1,000 or more during the reporting period. No amount needs to be specified for your spouse (see page 3, Part B of the Instructions). Do not report income from employment by the U.S. Government for you or your spouse.

**Individuals not covered by the Honoraria Ban:**  
 For you and/or your spouse, report honoraria income received which aggregates \$200 or more by exact amount, give the date of, and describe the activity (speech, appearance or article) generating such honoraria payment. Do not include payments in lieu of honoraria reported on Part I.

Name of Income Source		Address (City, State)	Type of Income	Amount
Example:	JP Computers MCI (Spouse)	EXAMPLE Wash., D.C. Arlington, VA	EXAMPLE Salary Salary	\$15,000 Over \$1,000
1	RealNetworks, Inc.	SEATTLE, WA	SALARY	7,437,715
2				
3				
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6				
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BLOCK A

Identity of Publicly Traded Assets and Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions), for production of income or investment which:

(1) had a value exceeding \$1,000 at the close of the reporting period; and/or

(2) generated over \$200 in "unearned" income during the reporting period.

Include on this Part IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B

Valuation of Assets

At close of reporting period. If none, or less than \$1,001, check the 1st column.

BLOCK C

Type and Amount of Income

If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC, or JT	Example: IBM Corp. (stock) NYSE Keystone Equity Fund (widely diversified)	Valuation of Assets										Type of Income										Amount of Income										Actual Amount Required if "Other" Specified
		None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000***	\$1,000,001 - \$5,000,000	\$5,000,001 - \$25,000,000	Over \$25,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than \$201)	\$201 - \$1,000	\$1,001 - \$2,500	\$2,501 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	Over \$1,000,000***	\$1,000,001 - \$5,000,000	Over \$5,000,000	
1	RealNetworks, Inc.																															
2	US BANK SAVINGS																															
3	401K SCHWAB US GOV. FUND																															
4	401K STRONG US GOV. FUND																															
5	401K T-RONE PRICE DIVIDEND GP																															
6	401K FIDELITY ADVANCE FUND																															
7	401K JANUS OLYMPIC																															
8	401K SAFECO GROWTH FUND																															
9	401K GAM INTERNATIONAL																															
10																																

EXEMPTION TEST (see instructions before marking box): If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here.

\*\*\* This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

## PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

**MARIE E. CANTWELL**

## Identity of Publicly Traded Assets and Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions), for production of income or investment which:

- (1) had a value exceeding \$1,000 at the close of the reporting period; and/or
- (2) generated over \$200 in "unearned" income during the reporting period.

**Include on this Part IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.**

5.	IBM Corp. (stock) NYSE
6C	Keystone Equity Fund (widely diversified)
7	
1	MUNICIPAL BONDS
2	MULTNOMAH-CLACKAMAS COUNTY DISTRICT #10JI GRESHAM
3	BARLOW DTD 2/01/98 DUE 1/01/08
4	
5	COOK COUNTY, ILLINOIS REF CAP IMPT DTD 7/15/96 DUE 11/15/03
6	
7	ILLINOIS STATE MUNI BDS DTD DTD 4/19/00 DUE 4/01/07
8	
9	HAWAII STATE HWY MUNI BDS DTD 7/01/98 DUE 7/01/02
10	

## Valuation of Assets

**At close of reporting period.  
if none, or less than \$1,001,  
check the 1st column.**

[illegible]

## Type and Amount of Income

**If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.**

Type of Income	Amount of Income
Dividends	
Rent	
Interest	
Capital Gains	
Excepted Investment Fund	
Excepted Trust	
Qualified Blind Trust	
Other (Specify Type)	
None (or less than \$201)	\$201 - \$1,000
	\$1,001 - \$2,500
	\$2,501 - \$5,000
	\$5,001 - \$15,000
	\$15,001 - \$50,000
	\$50,001 - \$100,000
	\$100,001 - \$1,000,000
	Over \$1,000,000**
	\$1,000,001 - \$5,000,000
	Over \$5,000,000***
	Actual Amount Required if "Other" Specified

**EXEMPTION TEST (see instructions before marking box):** If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check here.

..... This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.



## PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

5

## Block C

## Identity of Publicly Traded Assets and Unearned Income Sources

**Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions), for production of income or investment which:**

- (1) had a value exceeding \$1,000 at the close of the reporting period; and/or
- (2) generated over \$200 in "unearned" income during the reporting period.

**Include on this Part IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.**

## BLOCK B

## Valuation of Assets

**At close of reporting period.  
If none, or less than \$1,001,  
check the 1st column.**

[illegible]

## Block C

## Type and Amount of Income

**If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.**

Type of Income	Amount of Income
Dividends	
Rent	
Interest	
Capital Gains	
Excepted Investment Fund	
Excepted Trust	
Qualified Blind Trust	
Other (Specify Type)	
Name (or less than \$201)	
\$201 - \$1,000	X
\$1,001 - \$2,500	
\$2,501 - \$5,000	X
\$5,001 - \$15,000	
\$15,001 - \$50,000	
\$50,001 - \$100,000	
\$100,001 - \$1,000,000	
Over \$1,000,000	
Over \$5,000,000	
Actual Amount Required if "Other" Specified	

**EXEMPTION TEST (see instructions before marking box):** If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here.

..... This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name <b>MARIA E. CANTWELL</b>		<b>PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES</b>										Page Number <b>6</b>																																																																								
<b>BLOCK A</b> Identity of Non-Publicly Traded Assets and Uneared Income Sources		<b>BLOCK B</b> Valuation of Assets At close of reporting period. If none, or less than \$1,001, check the 1st column.										<b>BLOCK C</b> Type and Amount of Income If "None (or less than \$201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.																																																																								
Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions) for the production of income or investment in a non-public trade or business which: (1) had a value exceeding \$1,000 at the close of the reporting period; and/or (2) generated over \$200 in income during the reporting period. Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.		<table border="1"> <tr> <td>None (or less than \$1,001)</td> <td>\$1,001 - \$15,000</td> <td>\$15,001 - \$50,000</td> <td>\$50,001 - \$100,000</td> <td>\$100,001 - \$250,000</td> <td>\$250,001 - \$500,000</td> <td>\$500,001 - \$1,000,000</td> <td>Over \$1,000,000</td> <td>EXAMPLE</td> <td>\$1,000,001 - \$5,000,000</td> <td>\$5,000,001 - \$25,000,000</td> <td>Over \$25,000,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>										None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000	EXAMPLE	\$1,000,001 - \$5,000,000	\$5,000,001 - \$25,000,000	Over \$25,000,000													<table border="1"> <tr> <td>Dividends</td> <td>Interest</td> <td>Capital Gains</td> <td>Excepted Investment Fund</td> <td>Excepted Trust</td> <td>Qualified Blind Trust</td> <td>Other (Specify Type)</td> <td>None (or less than \$201)</td> <td>\$201 - \$1,000</td> <td>\$1,001 - \$5,000</td> <td>\$5,001 - \$15,000</td> <td>\$15,001 - \$50,000</td> <td>\$50,001 - \$100,000</td> <td>\$100,001 - \$1,000,000</td> <td>Over \$1,000,000</td> <td>EXAMPLE</td> <td>\$1,000,001 - \$5,000,000</td> <td>\$5,000,001 - \$25,000,000</td> <td>Over \$25,000,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>										Dividends	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than \$201)	\$201 - \$1,000	\$1,001 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	Over \$1,000,000	EXAMPLE	\$1,000,001 - \$5,000,000	\$5,000,001 - \$25,000,000	Over \$25,000,000																				Actual Amount Only if "Other" Specified
None (or less than \$1,001)	\$1,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	\$250,001 - \$500,000	\$500,001 - \$1,000,000	Over \$1,000,000	EXAMPLE	\$1,000,001 - \$5,000,000	\$5,000,001 - \$25,000,000	Over \$25,000,000																																																																									
Dividends	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than \$201)	\$201 - \$1,000	\$1,001 - \$5,000	\$5,001 - \$15,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$1,000,000	Over \$1,000,000	EXAMPLE	\$1,000,001 - \$5,000,000	\$5,000,001 - \$25,000,000	Over \$25,000,000																																																																		
S, DC or J Example: JP Computers, Wash., D.C. (Computer Sales) Undeveloped land in Dubuque, Iowa																																																																																				
1	NOTE RECEIVABLE - RON DOTZAUER																																																																																			
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24.04.406.4834

# PART VII. LIABILITIES

Reporting Individual's Name  
**MARIA E. CANTWELL**

Report liabilities over \$10,000 owed by you, your spouse, or dependent child (see page 3, Part B of the Instructions), to any one creditor at any time during the reporting period. Check the highest amount owed during the reporting period. **Exclude:** (1) Mortgages on your personal residences unless rented; (2) loans secured by automobiles, household furniture or appliances; and (3) liabilities owed to certain relatives listed in Instructions. See Instructions for reporting revolving charge accounts.

Name of Creditor		Address of Creditor	Type of Liability	Year Incurred	Interest Rate	Category of Amount of Value (x)						
5 PC or J	Example:	First District Bank John Jones	Washington, D.C. <b>EXAMPLE</b> Washington, D.C. <b>EXAMPLE</b>	Mortgage on undeveloped land <b>EXAMPLE</b> Promissory note <b>EXAMPLE</b>	1999	13%	\$10,001 - \$15,000	\$15,001 - \$25,000	\$25,001 - \$50,000	\$50,001 - \$100,000	\$100,001 - \$250,000	Over \$250,000
							x	x	x	x	x	x
1	US BANK	BELLEVUE, WA	COMMERCIAL LOAN	1999	9%		x					
2	US BANK	BELLEVUE, WA	COMMERCIAL LOAN	1999	8.25%							
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												

**EXEMPTION TEST** (see Instructions before marking box): If you omitted any liability because it meets the three-part test for exemption described in the Instructions, please check here. ☐

\*\*\* This category applies only if the obligation was solely that of the spouse or dependent child. If the obligation was the filer's or a joint obligation with the spouse or dependent child, use the other categories, as appropriate.

Reporting Individual's Name

MARIA E. CANTWELL

## PART VIII. POSITIONS HELD OUTSIDE U.S. GOVERNMENT

Page Number

8

Report any positions held by you during the applicable reporting period whether compensated or not. Positions include, but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Both the year and month must be reported for the period of time that the position was held.

Exclude: Positions with federal government, religious, social, fraternal, or political entities, and those solely of an honorary nature.

Name of Organization		Address of Organization		Type of Organization		Position Held		From (Mo., Yr.)	To (Mo., Yr.)
Example:	Natl Assn. of Rock Collectors	NY, NY	EXAMPLE	Non-profit education	EXAMPLE	President	EXAMPLE	8/80	Present
	Jones & Smith	Hometown, USA	EXAMPLE	Law firm	EXAMPLE	Partner	EXAMPLE	7/85	11/8X
1	RealNetworks, Inc.	SEATTLE, WA		PUBLICLY TRADED SOFTWARE INTERNET DEVELOPMENT CORP.		SENIOR VICE-PRESIDENT		4/95	2/00
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Compensation in excess of \$200 from any position must be reported in Part II.

24 FEB 1983

Reporting Individual's Name  
**MARIA E. CANTWELL**

# **PART IX. AGREEMENTS OR ARRANGEMENTS**

Report your agreements or arrangements for future employment (including agreements with a publisher for writing a book), leaves of absence, continuation of payment by a former employer (including severance payments), or continuing participation in an employee benefit plan. See instructions regarding the reporting of negotiations for any of these arrangements or benefits.

Status and Terms of any Agreement or Arrangement		Parties	Date
Example:	Pursuant to partnership agreement, will receive lump sum payment of capital account & partnership share calculated on services performed through 1/9X and retained pension benefits (diversified, independently managed, fully funded, defined contribution plan)	Jones & Smith, Hometown, USA	1/83
1	I AM ON AN UNPAID LEAVE OF ABSENCE FROM RealNetworks. UPON MY ELECTION TO THE US SENATE, THE LEAVE WILL BE TERMINATED. I HAVE STOCK OPTIONS IN RealNetworks. THE VALUE OF THESE OPTIONS IS INCLUDED IN PART IIIA - PUBLICLY TRADED ASSETS.	RealNetworks, Inc. SEATTLE, WA	2/00
2			
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24 04 406 4337

**FIRST TIME FILERS ONLY:**

Report sources of compensation received by you or your business affiliation for services provided directly by you during the reporting period. This includes the names of clients and customers of any corporation, firm, partnership, or other business enterprise, or any non-profit organization when you directly provided the services to the clients and/or customers of the firm that generated a fee or payment of more than \$5,000. You need not report the U.S. Government as a source.

Name of Source		Address of Source		Brief Description of Duties	
Example:	Jones & Smith	EXAMPLE	Hometown, TX	EXAMPLE	Legal services
	Metro University (client of Jones & Smith)	EXAMPLE	Moneytown, USA	EXAMPLE	Legal services in connection with university construction
1	RealNetworks, Inc.	SEATTLE, WA		SENIOR VICE-PRESIDENT CONSUMER AND E COMMERCE DIVISION	
2					
3					
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# Exhibit 4

24-04-405-4933

## PROMISSORY NOTE

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or term.

Borrower: MARIA CANTWELL  
904 7TH AVE. S.  
EDMONDS, WA 98020

Lender: U.S. Bank National Association  
Private Financial Services - East King Co.  
10800 NE 8th Street, Suite 500  
Bellevue, WA 98004

Principal Amount: \$4,000,000.00

Date of Note: September 15, 2000

**PROMISE TO PAY.** MARIA CANTWELL ("Borrower") promises to pay to U.S. Bank National Association ("Lender"), or order, in lawful money of the United States of America, the principal amount of Four Million & 00/100 Dollars (\$4,000,000.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of each advance.

**PAYMENT.** Borrower will pay this loan on demand, or if no demand is made, in one payment of all outstanding principal plus all accrued unpaid interest on March 15, 2001. In addition, Borrower will pay regular monthly payments of accrued unpaid interest beginning October 15, 2000, and all subsequent interest payments are due on the same day of each month after that. The annual interest rate for this Note is computed on a 365/360 basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance based on the actual number of days the principal balance is outstanding. Borrower will pay Lender at Lender's address shown above or at any other place as Lender may designate in writing.

**VARIABLE INTEREST RATE.** The interest rate on this Note is subject to change from time to time based on changes in an index which is the Lender's Prime Rate. This is the rate of interest which Lender from time to time establishes as its Prime Rate and is not, for example, the lowest rate of interest which Lender collects from any borrower or class of borrowers (the "index"). The interest rate shall be adjusted without notice effective on the Lender's prime rate changes. Lender will tell Borrower the current index rate upon Borrower's request. Borrower understands that Lender may make loans based on other rates as well. The interest rate change will not occur more often than each day. The interest rate to be applied to the unpaid principal balance of this Note will be at a rate equal to the index. **NOTICE:** Under no circumstances will the interest rate on this Note be more than the maximum rate allowed by applicable law.

**PREPAYMENT.** Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law.

Except for the foregoing, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments of accrued unpaid interest. Rather, they will reduce the principal balance due.

**DEFAULT.** Borrower will be in default if any of the following happens: (a) Borrower fails to make any payment when due. (b) Borrower breaks a promise Borrower has made to Lender, or Borrower fails to comply with or to perform when due any other term, obligation, covenant, or condition contained in this Note or any agreement related to this Note, or in any other agreement or loan Borrower has with Lender. (c) Borrower defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the Related Documents. (d) Any representation or statement made or furnished to Lender by Borrower or on Borrower's behalf is false or misleading in any material respect either now or at the time made or furnished. (e) Borrower dies or becomes insolvent, a receiver is appointed for any part of Borrower's property, Borrower makes an assignment for the benefit of creditors, or any proceeding is commenced either by Borrower or against Borrower under any bankruptcy or insolvency laws. (f) Borrower is in default under any other note, security agreement, lease agreement or lease schedule, loan agreement or other agreement, whether now existing or hereafter made, between Borrower and U.S. Bancorp or any direct or indirect subsidiary of U.S. Bancorp. (g) Any creditor tries to take any of Borrower's property on or in which Lender has a lien or security interest. This includes a garnishment of any of Borrower's accounts with Lender. (h) Any of the events described in this default section occurs with respect to any guarantor of this Note. (i) A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the indebtedness is impaired. (j) Lender in good faith deems itself insecure.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire unpaid principal balance on this Note and all accrued unpaid interest immediately due, without notice, and then Borrower will pay that amount. Upon default, including failure to pay upon final maturity, Lender, at its option, may also, if permitted under applicable law, increase the variable interest rate on this Note to 5.000 percentage points over the index. The interest rate will not exceed the maximum rate permitted by applicable law. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower also will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law. This Note has been delivered to Lender and accepted by Lender in the State of Washington. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of King County, the State of Washington. Subject to the provisions on arbitration, this Note shall be governed by and construed in accordance with the laws of the State of Washington.

**RIGHT OF SETOFF.** Borrower grants to Lender a contractual security interest in, and hereby assigns, conveys, delivers, pledges, and transfers to Lender all Borrower's right, title and interest in and to, Borrower's accounts with Lender (whether checking, savings, or some other account), including without limitation all accounts held jointly with someone else and all accounts Borrower may open in the future, excluding however all IRA and Keogh accounts, and all trust accounts for which the grant of a security interest would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on this Note against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided on this paragraph.

**LINE OF CREDIT.** This Note evidences a revolving line of credit. Advances under this Note may be requested orally by Borrower or by an authorized person. Lender may, but need not, require that all oral requests be confirmed in writing. All communications, instructions, or directions by telephone or otherwise to Lender are to be directed to Lender's office shown above. Borrower agrees to be liable for all sums either: (a) advanced in accordance with the instructions of an authorized person or (b) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs. Lender will have no obligation to advance funds under this Note if: (a) Borrower or any guarantor is in default under the terms of this Note or any agreement that Borrower or any guarantor has with Lender, including any agreement made in connection with the signing of this Note; (b) Borrower or any guarantor ceases doing business or is insolvent; (c) any guarantor seeks, claims or otherwise attempts to limit, modify or revoke such guarantor's guarantee of this Note or any other loan with Lender; (d) Borrower has applied funds provided pursuant to this Note for purposes other than those authorized by Lender; or (e) Lender in good faith deems itself insecure under this Note or any other agreement between Lender and Borrower.

**ARBITRATION.** Lender and Borrower agree that all disputes, claims and controversies between them, whether individual, joint, or class in nature, arising from this Note or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the Rules of the American Arbitration Association, upon request of either party. No act to take or dispose of any collateral securing this Note shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any collateral securing this Note, including any claim to rescind, reform, or otherwise modify any agreement relating to the collateral securing this Note, shall also be arbitrated, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Note shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.

**LATE CHARGE.** If a payment is 15 days or more past due, Borrower will be charged a late charge of 5% of the delinquent payment.

**DISCLOSURE. ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**



09-15-2000

Loan No.

## PROMISSORY NOTE

(Continued)

Page 2

**GENERAL PROVISIONS.** This Note is payable on demand. The inclusion of specific default provisions or rights of lender shall not preclude Lender's right to declare payment of this Note on its demand. Lender may delay or forego enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, protest and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan, or release any party or guarantor or collateral or, in part, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made.

**PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THE NOTE.**

BORROWER:

x Maria Cantwell  
MARIA CANTWELL

LENDER:

U.S. Bank National Association

By: Charles Haddon V.P.  
Authorized Officer

Variable Rate. Line of Credit.

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2000-09-15 14:44:44



## DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan ID	Interest	Term	Account	Office
\$4,000,000.00	09-15-2001	0.000000			85H061

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

**Borrower:** MARIA CANTWELL  
904 7TH AVE. S.  
EDMONDS, WA 98020

**Lender:** U.S. Bank National Association  
Private Financial Services - East King Co.  
10800 NE 8th Street, Suite 500  
Bellevue, WA 98004

**LOAN TYPE.** This is a Variable Rate (at Lender's Prime Rate. This is the rate of interest which Lender from time to time establishes as its Prime Rate and is not, for example, the lowest rate of interest which Lender collects from any borrower or class of borrowers), Revolving Line of Credit Loan to a: Individual for \$4,000,000.00 due on March 15, 2001.

**PRIMARY PURPOSE OF LOAN.** The primary purpose of this loan is for:

- ☐ Personal, Family, or Household Purposes or Personal Investment.  
☒ Business (Including Real Estate Investment).

**SPECIFIC PURPOSE.** The specific purpose of this loan is: FUND MEDIA COSTS/CAMPAIGN ADVERTISING AND PROMOTIONS.

**DISBURSEMENT INSTRUCTIONS.** Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$4,000,000.00 as follows:

Amount paid to Borrower directly:	\$0.00
Undisbursed Funds:	\$4,000,000.00
Note Principal:	\$4,000,000.00

**CHARGES PAID IN CASH.** Borrower has paid or will pay in cash as agreed the following charges:

Prepaid Finance Charges Paid in Cash:	\$2,000.00
\$2,000.00 Loan Fees	
Total Charges Paid in Cash:	\$2,000.00

**AUTOMATIC PAYMENTS.** Borrower hereby authorizes Lender automatically to deduct from Borrower's account numbered 153505737095 the amount of any loan payment. If the funds in the account are insufficient to cover any payment, Lender shall not be obligated to advance funds to cover the payment. At any time and for any reason, Borrower or Lender may voluntarily terminate Automatic Payments.

**FINANCIAL CONDITION.** BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED SEPTEMBER 15, 2000.

**BORROWER:**

x   
MARIA CANTWELL

This UCC-1 FINANCING STATEMENT is presented for filing pursuant to the WASHINGTON UNIFORM COMMERCIAL CODE, chapter 62A.9 RCW, to perfect a security interest in the below named collateral. PLEASE TYPE OR PRINT CLEARLY IN DARK INK

1. DEBTOR(S) (see instruction page #1)

☐ PERSONAL (last, first, middle name and address)

☐ BUSINESS (legal business name and address)

Cantwell, Maria  
904 7th Avenue South  
Edmonds, WA 98020

2. FOR OFFICE USE ONLY. DO NOT WRITE IN THIS BOX

TRADE NAME, DBA, AKA:

3. SECURED PARTY(IES) (name and address)

U.S. Bank National Association  
Private Financial Services - East King Co.  
10600 NE 8th Street, Suite 500  
Bellevue, WA 98004

4. ASSIGNEE(S) OF SECURED PARTY(IES) if applicable (name and address)

5. SECURED PARTY CONTACT PERSON:

Phone:

6. CHECK ONLY IF APPLICABLE: (For definitions of TRANSMITTING UTILITY AND PRODUCTS OF COLLATERAL, see instruction sheet.)

☐ Debtor is a Transmitting Utility

☒ Products of Collateral are also covered

7. THIS FINANCING STATEMENT covers the following collateral: (Attach additional 8-1/2 x 11" sheet(s) if needed.)

U.S. BANK NATIONAL ASSOCIATION TRUST ACCOUNT NUMBER 990-353-90. ALL SECURITIES ACCOUNTS NOW OR HEREAFTER MAINTAINED BY GRANTOR/DEBTOR WITH THE TRUST DEPARTMENT AND ALL PROPERTY OF EVERY KIND AND NATURE NOW OR HEREAFTER HELD IN THE ACCOUNT, AND SUCH OTHER ACCOUNTS, AND BY THE TRUST DEPARTMENT, INCLUDING BUT NOT LIMITED TO ALL SECURITIES (CERTIFICATED OR UNCERTIFICATED), SECURITY ENTITLEMENTS, INVESTMENT PROPERTY, FINANCIAL ASSETS, CASH, STOCKS, BONDS, TREASURY SECURITIES, INTERESTS IN MUTUAL FUNDS, COMMERCIAL PAPER, NEGOTIABLE INSTRUMENTS AND BANKER'S ACCEPTANCES.

8. RETURN ACKNOWLEDGMENT COPY TO: (name and address)

U.S. Bank National Association  
Commercial Loan Service West  
P.O. Box 5308  
Portland, OR 97228-5308

9. FILE WITH:

UNIFORM COMMERCIAL CODE  
DEPARTMENT OF LICENSING  
P.O. BOX 9660  
OLYMPIA, WA 98507-9660  
(360) 753-2523

MAKE CHECKS PAYABLE TO THE  
DEPARTMENT OF LICENSING

10. FOR OFFICE USE ONLY: IMAGES TO BE FILMED ☐

11. If collateral is described below, this statement may be signed by the Secured Party instead of the Debtor. Please check the appropriate box, complete the adjacent lines and box 13.

11 collateral is:

- a. ☐ already subject to a security interest in another jurisdiction when it was brought into this state or when the debtor's location was changed to this state. (complete adjacent lines 1 and 2)
- b. ☐ proceeds of the original collateral described above in which a security interest was perfected. (complete adjacent lines 1 and 2)
- c. ☐ listed on a filing which has lapsed. (complete adjacent lines 1 and 2)
- d. ☐ acquired after a change of name, identity, or corporate structure of the debtor(s). (complete adjacent lines 1, 2 and 3)

1. ORIGINAL FILING NUMBER
2. FILING OFFICE WHERE FILED
3. FORMER NAME OR DEBTOR(S)

12. DEBTOR NAME(S) AND SIGNATURE(S):

Maria Cantwell

TYPE NAME(S) OF DEBTOR(S) AS IT APPEARS IN BOX 1

SIGNATURE(S) OF DEBTOR(S)

SIGNATURE(S) OF DEBTOR(S)

13. SECURED PARTY NAME(S) AND SIGNATURE(S) ARE REQUIRED IF BOX 11 HAS BEEN COMPLETED.

U.S. Bank National Association

TYPE NAME(S) OF SECURED PARTY(IES) AS IT APPEARS IN BOX 3 OR 4.

SIGNATURE(S) OF SECURED PARTY(IES)

SIGNATURE(S) OF SECURED PARTY(IES)